



# AGENDA REPORT

**To:** Honorable Mayor and City Council Members  
**From:** Warren Hutmacher, City Manager  
**By:** Kimberly Greer, Assistant City Manager  
**Date:** January 6, 2016  
**Agenda:** January 28, 2016 Special Called Work Session

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## Issue

Continued discussion of the Recreation and Parks Strategic Plan. Since the October discussion, this agenda report has been updated in the background section (middle of page 2, regarding updates to the plan) and in the alternatives section (beginning at the bottom of page 2, regarding willingness to pay and a projects list).

## Background

As part of the annual planning retreat in late 2014, the City Council identified a Recreation and Parks Strategic Plan as a key initiative for 2015. In April 2015, following a formal kick-off presentation to the City Council, staff began working with the community and Mack Cain Design Studios at Travis Pruitt and Associates to identify and prioritize the investments in the recreation and park system for the next 10 years. The five-month planning process included extensive community outreach. Over 1,500 individuals participated in interviews, surveys, community meetings, and social media interactions.

As presented at the October 12<sup>th</sup> Work Session, the Recreation and Parks Strategic Plan is intended to be a reflection of the community's needs, objectives, and priorities for the provision of recreation sites, facilities, and programs. The plan was developed to serve as a guide for decision-making based on extensive research, experience, and community input. The plan aims to achieve a balance between the need to provide parks, facilities, and programs with the costs of securing the required land, development of specific recreational facilities, and increased operations.

Based on the input received during the community involvement process, key consensus items include: acquisition of additional park land; expansion of recreational facilities; addition of multi-purpose turf athletic fields; development of an indoor recreation center; expansion of facilities and programs for seniors; addition of a cricket field; connectivity between parks and activity centers; a broader range of programs to serve all age groups; planning for a city-wide recreational greenway/trail system; improvements to existing facility maintenance practices; and strategic improvements at each existing park.

The staff recognizes that the city does not have unlimited financial resources to fully implement all recommended land acquisitions, park improvements, and park development recommendations. Therefore,

the plan prioritizes the recommendations into three basic tiers based on community feedback, which consider anticipated user volume, asset maintenance/protection, and potential for catalytic impact.

Under current funding and investment levels, the recommended improvements to the four existing parks (Autrey Mill, Newtown, Ocee, and Shakerag), and development of the three previously acquired but undeveloped parks (Morton, State Bridge, and Bell-Boles) could be funded incrementally by the end of the 10-year planning period. However, without additional investment, new park land acquisitions cannot be made and new indoor facilities cannot be built. Also, without additional investment, all improvements and development projects for proposed additional acquisitions would be moved beyond 2025 for implementation.

The staff and consultant anticipated funding issues within the 10-year outlook and queried the community specifically as it relates to this issue. The community demonstrated an understanding that an expanded recreation and parks program will require significant funding, and a strong majority (77 percent) of those responding to the parks survey indicated a willingness to pay for the system-wide improvements. After a review of funding options and opportunities, the plan recommends use of unassigned fund balance (reserves) and a bond dedicated for park land acquisition, development, and improvements.

#### **Update – Improvements to the Plan**

Since the presentation of the draft plan to Council and the preliminary discussion, the planning team has continued to receive feedback and input from the community. The feedback thus far has been overwhelmingly supportive. Although no overall recommendations or objectives have been changed from the initial plan, a few improvements have been made. The changes that have been made are tracked. Outside of a few typos, most of the changes are either related to improving clarity (adding a sentence regarding intentions for recreational greenways and that a funding source need not be permanent as long as it is significant) and plan navigation (such as the addition of a table of contents and reformatting of Tables 7, 8, and 9).

#### **Implementation Alternatives**

The draft plan outlines two basic implementation pathways. The first implementation pathway assumes a continuation of current investment levels and the second implementation pathway utilizes an accelerated level of investment.

Should the City Council desire to continue the current level of investment in the recreation and parks system, the discussion of the plan would be most useful if focused on the specific priority given to investments in existing parks. Discussions of priority for timing of the existing park improvement projects will help inform incorporation into the Short Term Work Program.

Alternatively, should the City Council consider the accelerated level of investment to be desirable - as forecast by the purchase of 133 acres of parkland authorized at the November 16, 2015 Council Meeting - the discussion of the plan would be most useful if focused on the extent of additional investment that is considered reasonable.

#### **Update – Willingness to Pay**

As part of the presentation and initial discussion with the City Council in October, the Council indicated an

interest in further information regarding the community's willingness to pay for an accelerated level of investment.

During the planning process, the consultants queried participants regarding their willingness to contribute towards increasing their level of investment in parks. For those responding to the survey, 77% indicated a personal willingness to contribute additional money each month towards parks. Regarding the amount of money individuals were willing to contribute, the most common response was a contribution of \$6-\$10 per month, per household. Additionally, 25% were willing to contribute more than \$10 per month, per household.

The \$60 million dollar bond issuance recommended in the implementation section would average \$6.79 per household per month, which falls within the willingness to pay (\$6-\$10) indicated by the participants in the planning process. The \$6.79 breakdown per household assumes all 24,541 households currently paying Johns Creek property taxes would continue to pay property taxes and that the bond issued would have a 30 year term. That is, \$60M bond issuance / 24,541 households / 30 year term of bond = \$6.79 per household, per month.

In practice, as with the basic property tax millage, the bond costs would be assessed as a millage rate and the amount paid by each household would vary based on the assessed value of their home. According to the Fulton County Tax Assessor's office, the average home in Johns Creek is currently appraised at \$350,354.17. Homeowners with homes valued less than the average home would pay less, homes valued more would pay more.

Also worth note, an increase to the property tax millage would impact all properties, not just residential properties. A more exact way to calculate the impact to tax payers would be in terms of the millage increase. Dividing the desired bond issuance by the gross tax revenue indicates the net digest. That is, \$60,000,000 / \$4,466,327,641 (the 2015 gross tax digest) indicates a net tax digest of 0.013434. As the millage rate is assessed per \$1,000 of value and the proposed term of the bond would be 30 years, the net tax digest is multiplied by 1,000 and divided by 30 in order to calculate the needed millage rate increase. That is,  $(0.013434 * 1,000) / 30 = 0.4478$  mills.

With the proposed parks bond issuance, Council also has options regarding how the bond issuance would relate to the existing millage rate. The Council could choose to levy the additional parks bond millage (1) on top of the existing millage; (2) reduce the existing millage so that with the additional parks bond millage the overall millage rate remains constant; (3) a middle ground between the two aforementioned alternatives. Based on the willingness to pay established in the plan, the plan assumes the additional parks bond millage would be added to the existing millage so that all other existing investment levels could be continued, however, that policy choice would be a decision for the Council.

### **Update – Projects**

As part of the presentation and initial discussion with the City Council in October, the Council indicated an

interest in what items might be prioritized if the Council were to ask the community to consider a recreation and parks bond issuance.

As listed on page 112 in Table 16, the projects that are recommended by the draft plan for inclusion in the \$60M bond issuance would include: \$25M for land acquisition for a Large Community Park, \$16.2M for development of the Tournament Park and Large Community Park, \$5M for development of the Town Green, \$6M for the development of an Indoor Recreation Center, and 15% contingency for each project.

As described in the draft plan on page 112 in Table 15, the proposed bond issuance is recommended in addition to making a \$25M investment from unassigned fund balance (more commonly referred to as reserves). The \$25M from unassigned fund balance is recommended for development of Morton Road Park (\$1.13M), State Bridge Park (\$250K), and Bell-Boles Park (\$551K) as well as land acquisition for the Tournament Park (\$20M) and the Town Green (\$3M). Should the City Council choose not to use unassigned fund balance, these projects would need to augment the list of projects for inclusion in a bond issuance. Additionally, as described in the draft plan, improvements and investments to the existing parks are recommended to be funded through the General Fund. Based on the current level of investment, all proposed improvements could be funded through the course of the planning period. Should the City Council choose not to continue its current level of investments from the General Fund, existing park improvement projects would also need to be considered to augment the list of projects for inclusion in a bond issuance.

### **Next Steps**

The draft plan will be improved and calibrated based on the feedback from the City Council. A finalized version will be returned to the City Council for consideration.